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29 January 1976

NOTE FOR MR. BUSH

SUBJECT: Role of the DCI

I well remember promising you during one of our sessions earlier this month that your Intelligence Community Staff would take a hard look at the Presidential Directives of 1971 and 1974 and let you know how we would propose redoing those directives to accord with the world around us now.

That promise is not forgotten. We have taken a long, hard look at this, and for a number of reasons, have concluded that a move in this direction at this instant does not appear worthwhile.

In the first place, the President's package of executive orders, legislative proposals, et al, is soon to be released. You know more about the package than we do. But, the soundings we have taken around town give us good reason to believe that what will be said about your role and the Community structure will be conducive to a good and prosperous future under your direction.

Furthermore, when all is said and done, we have only a few specific points we would revise in a new Presidential directive. One would be to divest the DCI of the responsibility to scrub resources invested in tactical military intelligence. Another would be to eliminate explicit requirement for IRAC, leaving it to you to decide how to arrange Community machinery to deal with resources. Still another point would be to spell out language making more practical your responsibility to submit a "consolidated budget".

Other changes we might make in a new directive would all be aimed at adding to your clout, but we found in trying to draft such language that it turned out to be more puffery than good, concrete formulation. The '71 and '74 directives already endow the DCI with a good deal of latent authority. Using it is a question of DCI style.

Accordingly, we do not now recommend any specifics for issuance of a new directive. The subject is academic until we know more about the package soon to be issued.

E. H. Knoche  
AD/DCI/IC

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ATTACHMENT A

Option 4, Modified - "Collective Management"

RATIONALE

This Option starts from the premise that stronger management of the Intelligence Community is highly desirable, but that the balance of interests reflected in the present structure is a realistic one and should be maintained. It presents a concept for achieving a degree of collective management while preserving present organizational relationships. It requires a minimum of legislative change.

SUMMARY DESCRIPTION

The DCI would continue to be advisor to the President, coordinator of the Community, and Director of CIA. The present structure of Committees and Boards would be consolidated into two, both chaired by the DCI: an Executive Committee of the NSC for Intelligence at the deputy secretary level, responsible for all Community management and policy matters, and a National Intelligence Board at the present USIB Principals level, responsible for substantive production. To enable the DCI to give more attention to his Community responsibilities he would be provided with a second deputy.

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## PRIMARY CHANGES AND EFFECTS

### The DCI's Responsibilities

The DCI would be the President's chief intelligence advisor, and would remain Director of CIA. With a view to raising the stature of the job, consideration should be given to granting him Cabinet rank. He would be responsible, under the NSC, for the coordination of national intelligence policy and for the production of national intelligence. A clear distinction would be made, however, between his Community and CIA roles.

To this end, he would be provided with an additional Deputy, appointed by the President and confirmed by Congress. The present Deputy would be specifically responsible for managing the Agency under the DCI; the other Deputy would be responsible under the DCI for coordination of the Community. The DCI would have an Agency office at Langley and a Community office downtown, where his Community Deputy would be located.

### Coordination of National Intelligence

The present structure of boards and committees would be rationalized, on the basic principle that policy and resource matters requiring a balancing of departmental interests would be considered collectively by the senior officers controlling the assets and resources concerned. A separate forum would be provided for substantive intelligence issues, on the grounds that these are inappropriate for policy officers to adjudicate and that departmental interests are protected by the right of dissent.

### Policy and Resources

For the first of these purposes the DCI would chair an NSC Executive Committee for Intelligence, with Deputy Secretaries of State and Defense as members. The committee would have under control of its members all important intelligence assets, and would act as a board of directors for national intelligence. EXCOM(I) would absorb the functions of NSCIC, EXCOM (NRO plus equivalent responsibilities for NSA), IRAC, and USIB (except national intelligence production). It would in addition coordinate policy matters affecting State and the Community, such as cover, technical collection bases overseas, and intelligence agreements with foreign countries.

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The DCI's Community Deputy would be his alternate in EXCOM(I) but would not serve as Chairman in his absence. The IC Staff would be the secretariat of EXCOM(I). The DCI would carry out his existing responsibilities for the NFIP (less its tactical and departmental components) with the assistance of the Committee. EXCOM(I) would have approval authority for the NFIP (CIAP, NRP, CCP, and some elements of the GDIP) and its decisions would be binding. The DCI would have administrative and resource authority only over CIA. Present administrative arrangements for the NRP and CCP would be preserved.

#### Production of National Intelligence

USIB would be reconstituted as a National Intelligence Board, limited by charter to substantive matters, and advisory to the DCI. The NIO's would act as the DCI's staff for the NIB. The Board would be chaired by the DCI, with his Agency Deputy as CIA member. The latter would serve as Chairman in his absence.

#### Covert Action

The DCI would be a member of the 40 Committee, but not its Chairman, with his Agency Deputy as alternate. Clandestine collection and covert action would remain assigned to CIA, without change in present arrangements.

#### Oversight

Without administrative authority over the Community, it would be inappropriate for the DCI to have an IG responsibility except over CIA. This Option assumes Executive oversight at the NSC or White House level.

#### Congress

The DCI would continue to be the Community spokesman to Congress.

#### National/Tactical Problems

EXCOM(I) would handle matters relating to the relationship between tactical and national intelligence. The DCI would have no responsibility for the tactical intelligence budgets of the military services.

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